

HOUSE No. 3854

The Commonwealth of Massachusetts

PRESENTED BY:

Steven J. D'Amico

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to protect Massachusetts taxpayers and essential state services.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Steven J. D'Amico	4th Bristol
Patricia D. Jehlen	Second Middlesex
Denise Provost	27th Middlesex
Matthew C. Patrick	3rd Barnstable
Angelo M. Scaccia	14th Suffolk
Robert M. Koczera	11th Bristol
Carl M. Sciortino, Jr.	34th Middlesex
William N. Brownsberger	24th Middlesex
John F. Quinn	9th Bristol

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO PROTECT MASSACHUSETTS TAXPAYERS AND ESSENTIAL STATE SERVICES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Paragraph (2) of subsection (1) of said section 6 of chapter 62 of the General Laws,
2 as appearing in section 2 of chapter 63 of the acts of 2007, is hereby amended by striking out the
3 second and third sentences and inserting in place thereof the following sentence:- The credit
4 shall be equal to 20 per cent of the total aggregate payroll paid by a motion picture production
5 company that constitutes Massachusetts source income, when total production costs incurred in
6 the commonwealth equal or exceed \$250,000 during the taxable year.

7 SECTION 2. Paragraph (4) of said subsection (1) of said section 6 of said chapter 62, as so
8 appearing, is hereby amended by striking out the first sentence and inserting in place thereof the
9 following sentence:- The tax credit shall be taken against the taxes imposed under this chapter
10 and shall not be refundable.

11 SECTION 3. Said subsection (1) of said section 6 of said chapter 62, as so appearing, is hereby
12 further amended by inserting after paragraph (5) the following paragraph:-

13 (6) The total amount of tax credits provided under this subsection in connection with any
14 motion picture production shall not exceed \$7,000,000.

15 SECTION 4. Subsection (b) of section 38X of chapter 63 of the General Laws, as inserted by
16 section 82 of chapter 173 of the acts of 2008, is hereby amended by striking out the second and
17 third sentences and inserting in place thereof the following sentence:- The credit shall be equal
18 to 20 per cent of the total aggregate payroll paid by a motion picture production company that
19 constitutes Massachusetts source income, when total production costs incurred in the
20 commonwealth equal or exceed \$250,000 during the taxable year.

21 SECTION 5. Said section 38X of chapter 63, as so appearing, is hereby amended by adding the
22 following subsection:-

(g) The total amount of tax credits provided under this subsection in connection with any 1 motion picture production shall not exceed \$7,000,000.

SECTION 6. Section 6 of chapter 64H of the General Laws, as so appearing, is hereby amended by striking out paragraph (ww) and inserting in place thereof the following paragraph:-

(ww) Sales of tangible personal property to a qualifying motion picture production company or to an accredited film school student for the production expenses related to a school film project. For the purposes of this paragraph a qualifying motion picture production company must expend in the aggregate not less than \$250,000 within the commonwealth in connection with the filming or production of 1 or more motion pictures in the commonwealth within any consecutive 12 month period and have the approval of the secretary of economic development and the commissioner. Any motion picture production company that intends to film all, or parts of, a motion picture or television program in the commonwealth and qualify for the exemption provided by this paragraph shall provide an estimate of total expenditures to be made in the commonwealth in connection with the filming or production of such motion picture or television program and shall designate a member or representative of the motion picture production company as a primary liaison with the commissioner for the purpose of facilitating the proper reporting of expenditures and other information as required by the commissioner. Said estimate of expenditures shall be filed prior to the commencement of filming in the commonwealth. Any qualifying motion picture production company that has been approved which fails to expend \$250,000 within a consecutive 12 month period shall be liable for the sales taxes that would have been paid had the approval not been granted. The sales taxes shall be considered due as of the date that taxable expenditures were made. The commissioner shall promulgate rules for the implementation of this paragraph.

SECTION 7. Chapter 158 of the acts of 2005 is hereby amended by striking out section 9 as amended by chapter 63 of the acts of 2007 and inserting in place thereof the following section:-

Section 9. This act shall be effective for tax years beginning on or after January 1, 2006 and before January 2013, but credits allowed pursuant to this act may be carried forward pursuant to sections 1 and 2 after January 2013.